



**SPECIAL MEETING OF THE COMMON COUNCIL
MIDDLETOWN, CONNECTICUT
DECEMBER 13, 2012**

Special Meeting	A special meeting of the Common Council of the City of Middletown was held in the Council Chamber on Thursday, December 13, 2012 immediately following the 7 p.m. Community Meeting
Present	Mayor Daniel T. Drew, Deputy Mayor Robert Santangelo, Council Members Thomas J. Serra, Ronald P. Klattenberg, Gerald E. Daley, Grady L. Faulkner, Jr., Philip J. Pessina, Joseph E. Bibisi, Linda Salafia, Todd G. Berch, and Deborah Kleckowski; Corporation Counsel Daniel B. Ryan and Common Council Clerk Marie O. Norwood.
Absent	Council Members Mary A. Bartolotta, and Hope P. Kasper.
Also Present	Seven members of the public
Meeting Called to Order	The Mayor calls the meeting to order at 7:07 p.m. and leads the public in the Pledge of Allegiance.
Call of Meeting Read	The Call of Meeting was read and accepted.
Motion to Recess	Councilman Serra asks for a five minute recess. The Chair states he would like to declare the call a legal call before the recess.
Legal Meeting	Mayor Drew declares the Call a Legal Call and the Meeting a Legal meeting.
Motion to Recess	The Chair asks for a formal motion. Councilman Serra moves to recess and his motion is seconded by Councilwoman Kleckowski. The Chair calls for the vote and it is unanimous. The recess is declared at 7:07 p.m.
Meeting Reconvenes	The Chair calls the meeting to order at 7:12 p.m.
Public Hearing Opens	The Chair Opens the public hearing at 7:12 p.m. asking anyone wishing to speak to keep comments to five minutes and to state your name and address for the record. No one comes forward.
Public Hearing Closes	The Chair Closes the public hearing on agenda item 5-1 at 7:12 p.m.
Questions to Directors	The Chair Opens questions to directors and states the Finance Director is here to answer questions.
Point of Information	Councilman Pessina states do we need to have a motion to substitute the resolution and Memorandum of Understanding.
Noted for the Record	Councilman Daley takes his seat at 7:13 p.m.
Motion to Substitute	<p>Councilman Serra moves to substitute agenda item 5-1 and the Memorandum of Understanding; Councilman Pessina seconds the motion. There is no discussion. The vote is called and it is unanimous to approve with ten aye votes. The Chair states the matter passes unanimously with ten affirmative votes.</p> <p>The Chair opens Questions to Directors at 7:13 p.m. and recognizes Councilwoman Salafia</p> <p>Councilwoman Salafia asks Director Erlacher who calculated the numbers. Mr. Erlacher states it was done by his Budget Analyst Tina Gomes. Councilwoman Salafia states she doesn't have the list of those getting years of service and that is coming from the pension, not the general fund. She asks if there is any effect on health insurance because some are going from 35% to 25%. Mr. Erlacher responds that is after they reach 65. Councilwoman Salafia states according to the table, it is 62. The Mayor interjects that it is an existing obligation with the Union and they will be paying the higher rate. Councilwoman Salafia states some will pay 35% and the agreement is 25%. The Chair responds to the question. Councilwoman Salafia reads from the bargaining agreement; they will pay less. The Mayor states that is in the bargaining unit and that group of people has it capped with active and it is capped to 25%.</p>

Point of Information

Councilman Berch states isn't the 25% due to the date of hire which is prior to 2006.

Councilwoman Salafia states in your number for the cost to the pension fund, and everyone is aware of this and the way she understands the contract those who chose Option A are capped and pension calculated on 2.25% and those who chose Option B, pension capped at 2.5% and capped at 35%. This changes the multiplier from 2.25% to 2.5% and some are going to get a cash incentive, increased multiplier and increase in cap and you did calculations and cap of 2.5%. Mr. Erlacher responds he doesn't have the spread sheet here but does have knowledge of the figures. Councilwoman Salafia states the cost to the pension fund and how you got the \$12,000,000 of savings. Mr. Erlacher responds there was no cost to the pension and \$12,000,000 is savings to the operating cost over the 27 years. Councilwoman Salafia states the cost to the operating fund is not hiring. Mr. Erlacher replies if you stay diligent, the cost savings, you will realize them with the reorganizations as long as you don't rehire every single person. If you are thinking that is going to happen, then there won't be savings. If reorganization is done and leaves positions vacant, you can see those savings. Councilwoman Salafia asks what positions. Mr. Erlacher replies the ones the incentive were offered to. Councilwoman Salafia states the 16 positions listed which are by Charter have to be filled. Mr. Erlacher replies by Charter you need a town clerk and I can't say how you will get savings there. Councilwoman Salafia asks how will it happen. Mr. Erlacher responds the Mayor did the cost analysis and a task force gave the Council a reorganization plan.

The Mayor responds that he sent you the list of positions. He sent out a cover letter and the second page stated only critical positions will be refilled as plan of the reorganization. They are required to fill town clerk, but not the position below it and that is the plan. Councilwoman Salafia states she is asking what comprises the savings; was it a worst case scenario. The Mayor explains which ones need to be refilled, fire chief, town clerk, superintendent of streets and highways and one or two others and the plan is not to fill other management positions. Councilwoman Salafia states if she goes back and plugs in the salaries of the three you have to fill I should come up with that number \$450,000. The Mayor responds if you keep an average of 3.5% of increase, you will get that number over the 27 years. Councilwoman Salafia states is anything available on who is getting years and actual costs to the pension fund. Mr. Erlacher states the memo for the cost to the pension fund is \$2.6 million. He states the actuary has confirmed the \$2.6 million will not cost the general fund to make a contribution or raise taxes. The Mayor states there will be an operational budget savings.

The Chair asks Councilwoman Salafia if she has other questions; she responds no. The Chair recognizes Councilman Serra who asks if the pension fund can take the incentive. Mr. Erlacher responds yes. Councilman Serra states we are overfunded in the 20% range and over time we will not contribute. Mr. Erlacher responds correct and that is assuming the market does not collapse. Councilman Serra states it is financially sound. Mr. Erlacher replies the pension fund is financially sound if you stay according to plan and not fill every position. Councilman Serra asks if it is legally done. Mr. Erlacher responds he believes there is a legal opinion attached. Councilman Serra states this is not unlike the budget projections you make and there are other positions and if you don't fill those, there is a savings. Mr. Erlacher replies that is correct. Councilman Serra states we are on sound ground. Mr. Erlacher responds you are on sound ground with the pension able to cover these costs and the operational fund will not have to make an additional contribution for this. Yes you would be financially sound.

Councilman Daley states as he understands this essentially in refilling positions, your approach is going to be that positions that can be done without because of reorganization or other reasons will not be filled and those that will be filled are statutory or required and you will promote from within and not back fill – somewhere down the line there will be positions and they may not be filled. The Mayor responds there are some that may be consolidated and not filled. Councilman Daley asks on the macro level it looks like it makes sense, but there are some details I question. The first is the MOU for Teamsters qualified employees will be created with not less than two shouldn't it read not more than two.

Joseph Samolis, Mayor's Administrative Aide, states in the MOU, it states not less than two and that is what is being offered and it is worded so that exempt staff can be offered more. Councilman Daley states the Memorandum of Understanding with teamsters has nothing to do with exempt and if it says not less than two, you can say it means more than two. He states the resolution references the MOU and that would cover the exempt employees. He states the second thing is, there was some newspaper report and discussion about

this that it was paid from the general fund and can you explain that. Mr. Erlacher responds the cash incentive will be paid from the general fund. Councilman Daley states the incremental cost for pension will pay from pension. Mr. Erlacher replies yes. Councilman Daley states we can't pay the cash from the pension. The Mayor states it is possible, but requires additional steps and it would be better to leave the funds in the pension and appropriate the money from the general fund. Councilman Daley asks how much will be projected for lump sum payments. Mr. Erlacher replies the cash incentive was \$120,000 for first year and \$140,000 for the second year. Councilman Daley states that would be an impact on the general fund. Mr. Erlacher replies correct. Councilman Daley states you are comfortable; you can do that. Mr. Erlacher replies the Mayor will include it in the budget for next year and the Council will approve an appropriation request for this year. The first year will be an appropriation request. Councilman Daley states for the other question, we can we get a verification of what the Teamsters contract provides for the premium cost sharing cap. Councilwoman Salafia states the cap is 35%. Mr. Erlacher Carl states there was option A and B and one has 25% and one has 35% in the current agreement. Councilman Daley states if they did not make the election, they have the 35% cap. Mr. Erlacher states members of the existing Union, it is 50-50. Councilman Daley states shouldn't the MOU say if they chose the Option. The contract language is that they drop at various ages from 40% to 25% and option B, will drop to 40% to 35% and I think the MOU is wrong. The MOU should be 35% and Councilwoman Salafia has a point. Councilman Daley asks about the 85% max would have to have 35 years without two additional years of credit. Mr. Erlacher replies yes. Councilman Daley states they would get that and a person who retired anyway what is the cap. Mr. Erlacher responds it is based on the option you chose one is 70% or 80% and someone at max would get 80% or 85% and only under the early retirement. Councilman Daley states a person who selected option of 70% and has 35 years; Mr. Erlacher responds that does not apply. He states there were some over 70% but they are capped at 70%. Mr. Erlacher states there are only 2 or 3 eligible for the 85%. Councilman Daley states he would like to clarify those corrections: From not less than two to not more than 2 years and the cap percentage.

Mr. Erlacher states there is no one in Teamsters getting more than two years. Councilman Daley explains he would like it clarified for the future. Councilman Daley makes the motion to have the wording not more than two years; also the same percent with max cap 25% should be 35% if it is mirroring the contract.

Councilman Faulkner states the MOU would not be enforceable with that number. Councilman Daley responds it will be enforceable because it was what they were paying. Mr. Erlacher states the full 18 will not leave, only 16 and there is a certain time and some individuals will leave in the next couple of weeks. Councilman Faulkner asks related to outlays and none include medical. Mr. Erlacher responds they would be entitled to medical anyway whether retired or not. If you fill all the positions you will be double hit with medical. Councilman Faulkner states off the top of your head, we will be looking at changes in the Water Department, do you see any of these definitely we can't do without. Mr. Erlacher states a committee was formed and made recommendations and they know where the vacancies are and until we know who is leaving and can combine with the committee report then we will know.

Councilman Berch states on legality, does the Pension Board need to approve this and have they. Mr. Erlacher replies unless the cash incentives came out of the pension plan, it would have to go to the Pension Board, but it is an MOU granting benefits and would not need pension approval.

The Mayor states the members who are eligible are capped at 25% and 35% are for those who came in after a certain date. Mr. Samolis comes forward and states page 8, section E all new members of the Union after the date agreement with the exception of those employees who by promotion become members of the bargaining unit, upon retirement, they fall under 35%. Anyone who comes into the teamsters after 2006 will be capped at 35% should then fall under the 35% but anyone eligible for retirement would have had to been hired previously to 2006. Councilwoman Salafia asks why did we poll the members to have them choose between A or B, Mr. Samolis states it was regarding pension calculation versus the health cost share. For each plan there was a difference in cost share and pension.

The Chair asks for further questions. Councilwoman Kleckowski states she has one question: was there anyone who was eligible to retire without the incentive package. The Mayor responds a handful were eligible to retire. There are no further questions to directors.

Motion to Recess

Councilman Pessina moves for a recess and his motion is seconded by Councilwoman Kleckowski; the vote is called and it is unanimous to approve with ten aye votes. The Chair declares the recess at 7:52 p.m.

Meeting Reconvenes

The Chair calls the meeting to order at 8:01 p.m.

The Chair calls on Councilman Klattenberg for agenda item 5-1; Councilman Klattenberg reads and moves agenda item 5-1, the Retirement Incentives, for approval; his motion is seconded by Councilman Santangelo seconds

Councilman Klattenberg states I want to acknowledge the presentation you made to Finance and Government Operations and at least for me and those on the committee a lot of the questions posed this evening were answered to a large degree and it was brought out at that meeting when an initiative of this magnitude where reorganization is being carefully looked at and you are trying to implement it, they don't come cheap because you have to open opportunities in the City for the possibility of reorganization and the cost benefit for tax payers. You have shown at a reasonable level that the second year, the City will realize significant savings and that is what the focus should be on. When you reorganize there are steps to be made to open the opportunities and you should be credited and you put together a program that opens the door. We have been trying to find ways to streamline government and this is one way to do it and he hopes the Council will approve this. He urges support from everyone.

Motion to Amend

Councilman Daley states he will reserve his comments; he agrees with Councilman Klattenberg's comments and he has additional comments. First to try to clean up minor issues, he proposes an amendment to the resolution that we add another "Be it further resolved: That the proposed Memorandum of Understanding between the City of Middletown and the Teamsters Union be amended as follows: That Option 2 paragraph read that Qualified employees who accept the early retirement incentive will be credited with not more than two years of additional service"; in paragraph numbered 3, the sentence upon reaching age 62, the premium cost share shall be reduced to the same percentage as paid by active employees' with a maximum cap of 25%, delete 25% and add "as provided under the CBA in effect as of the date this MOU is executed." Councilman Serra seconds the motion. The Chair calls for the vote and it is unanimous to approve with ten aye votes. The Chair states the matter passes with ten affirmative votes and two absent.

Councilman Daley states he agreed with what Councilman Klattenberg said and thanks the City, Directors and Teamsters Union for working collaboratively for achieving ongoing savings for the City. At the same time he is cognizant of the fact that many folks in the community have an aversion for early retirement and it is a windfall for those employees and public pensions are higher. Councilman Daley states that will change. The City has a good pension for City employees and they bargained for that and earned it and this approach does not create any windfalls that are not commensurate with getting people to retire early. One of the main concerns he had was a question that they would increase pension from 70% to 85% and that is not the case. There are only a few at 80%. With that it is a sound plan fiscally and allows operational savings. The other side is one of the things the task force recommendations made, was organizational changes to achieve effectiveness in City services. He urges the Council to support this.

Councilwoman Salafia states one last point of health insurance on page 10 of the MMPA contract, some were capped at 70% and those who took option A and option B was new hires and those are the only ones capped at 80%. Everyone who was already a member could only choose Option A and what Joe read and were capped at 2.25% and 70%. She states that is not the way I interpreted it and anyone who is eligible were capped at 70%. There is confusion about that. In any case, I don't think it is a good thing for the City and she feels like she is taking a windfall away from people she knows. She is not sold on the reorganization and she looks at how the City operates and these are supervisors and you will have to replace them with people. You don't want to leave 466 people without supervisors. You are talking about getting rid of supervisors and replacing them with lower paid individuals. You might need more people getting paid less. You will have to replace more than you are looking at. She has read the task force report and her basic problem started off with your reducing jobs. She is not sold on the idea that it is necessary. She does not agree with combining Personnel with Legal and I think we need Personnel that is separate from Legal. She has a hard time with these changes and she doesn't think she can vote for this.

Councilman Serra states the Council has to vote yes to make it work. A golden handshake is a misnomer; it is offered to save the taxpayer money and the onus is on us to make sure the reorganization works and that we are going to save by attrition. It is important that you recognize the onus is on the Council with what is proposed in the reorganization and what we fund. He will

be voting yes and paying close attention to the reorganization to make sure this works.

Councilman Berch states there has been some bit of controversy and questions regarding the title of the task force and it is a Task Force for Efficiency in Government; he is proud to have been vice chair and the question of being unbiased, it was a nonpartisan task force and people spoke to efficiency for the workers and the tax payers and was toiled over for many weeks to make this a better City by downsizing City government to have more efficiency. He will vote yes and based on the people who came to the task force and gave us information to bring us to this point and save the City money. There will be better services and efficiency for the City.

Councilwoman Kleckowski states she sat in on some of those meetings and she was impressed with the people who came there and the committee did work. Her concern is from the notes in the Mayor's memo regarding some of the mergers and her concern is that it is backwards. She is not a proponent for efficiency sake of a one person department; if someone is sick or out, there is a void of knowledge. We need to look at the institutional knowledge and she would vote for this if she had the organization view of who is going and how the slack is going to be picked up; for example Deb Gill is leaving and the tax assessor is complaining about the lack of personnel and cannot do the things he needs to do because of the lack of personnel. She doesn't know what a generalist is for personnel and doesn't think labor and personnel are the same; there should be both of them. We should have a view on how a department will run. We know we need a fire chief and town clerk – will it be a promotion? She would like a cost analysis of each person retiring and believes they will be living longer than 27.5 years especially given the economic group and educational level.

Councilman Pessina states as he reviewed this retirement incentive package and those who opted for it have given a lot to the City and in this case you are providing an incentive for them and beyond the savings to tax payer and government, he hopes they come about, but this is the start of a paradigm shift. We are starting to consolidate our city government. We need to make government smaller and more cost efficient and this is a first step and he asks that over the next two years, we should see a quarterly report from the Finance Director talking about the savings they are starting to see. He will support this; he thinks it is necessary.

Councilman Faulkner states he will support this and no one likes doing this type of thing, but he wants to say he is encouraged that we put together a task force that did some work and we didn't put it on the shelf. We need to manage things on a regular basis; we need to analyze management and make those changes. We do those things and stay diligent then the retirement process will be a normal process and we won't have to do things like this.

Councilman Serra congratulates Councilman Daley for moving forward from 1982 and one of the first reports, going from 27 to 12 departments and 30 years later we are finally doing it.

Mayor would like to address a few points made. He states Councilwoman Kleckowski discussed the lack of personnel in the Tax Assessor's Office; in several places we are short, in other places we are top heavy. As we go into revaluation, one of the retired Assessors is working part time and there is an opportunity to streamline to make the management structure better. When he came into office, there was a request by several directors for additional personnel and I said no and there was discussion that there would be operational catastrophe and there was none. At the Personnel Review Committee, meeting, you endorsed the idea of an attorney taking over labor relations. There was an opportunity to bring on a second deputy attorney to handle labor relations. The notion that people taking retirement at 50 or younger, 50 is the minimum age and the 27-1/2 years is the average of the entire pool of people who took advantage of this and that is based on the actuary's number. He states Councilman Pessina was prescient in that we are dealing with a paradigm shift and the savings is just shy of \$170,000 and the second year is \$300,000, by the end of the second year and every year thereafter the savings is over \$450,000 so long as planned vacancies are maintained over the 27.5 years. That is a conservative figure and some of the realignments will bring in even more operational savings. A lot will be streamlined; we will not only save money, but think by realigning operational capacity we will be more efficient in how we work, and in the use of resources. It is not about eliminating positions; it is about making the City work smarter. We have the opportunity to positively impact the community that will last for decades. He is looking forward to working with directors and the Council to make the City work more efficiently. Councilwoman Kleckowski was right when she said we are losing good people with institutional knowledge and we are losing great people. At the same time, we have a lot

of people who have worked with these individuals and have a lot of that knowledge and the City will work well for the tax payers.

Councilwoman Salafia states she wants to point out that her view of details don't match and the first sentence says 25 years or more or 50 years old, so you have people who are younger than 50.

Councilwoman Kleckowski states she is not in favor of two deputy city attorneys and she is a proponent of reorganization, but it should be done first before retirement.

Motion to Amend

Councilman Daley states something I missed and we should correct is item 6 in the MOU where it says the notification is by November 7, 2012; it should be changed. The Chair responds that was the original date and we could strike that. Councilman Daley states you need a date to notify you by because it says accepts and this should say by next Friday, December 21, 2012. Councilman Pessina seconds the motion. The Chair asks for discussion Councilwoman Kleckowski states it goes back to the Teamsters; the Chair states they will need to sign it. The vote is called on the amendment and it is approved with eight aye votes by Council Members Serra, Klattenberg, Daley, Santangelo, Faulkner, Pessina, Bibisi, and Berch and two nay votes by Council Members Salafia and Kleckowski. The Chair states the matter passes with eight affirmative votes and two in opposition.

The Chair asks if Councilman Daley wishes to speak to the amended resolution and MOU. He does not. The Chair, hearing no further discussion, calls for the vote on the underlying resolution as amended. The matter is approved with eight aye votes by Council Members Serra, Klattenberg, Daley, Santangelo, Faulkner, Pessina, Bibisi, and Berch and two nay votes by Council Members Salafia and Kleckowski. The Chair states the matter passes with eight affirmative votes and two in opposition.

Resolution No.
File Name
Description

224
ccretirementincentiveteamstersdirectors3
Approving the Retirement Incentive program offered by the City to Defined Non-bargaining Employees and members of the Teamsters Local 671 and approving the Memorandum of Understanding between the City of Middletown and Teamsters Local 671 concerning the Retirement Incentive.

(AMENDED AND APPROVED)

WHEREAS, the City of Middletown has offered a Retirement Incentive Programs to both the Defined Non-bargaining Employees and to the Teamsters Local 671; and

WHEREAS, the Incentive Program for the Defined Non-bargaining Employees is the same as the Teamsters Local 671 Memorandum of Understanding except the offer includes not more than five years toward pension and the Teamster's MOU states not more than two years toward pension; and

WHEREAS, the cost to the pension fund over a 27.5 year period (the average life expectancy of the retirees taking advantage of the program is \$2,637,000; the total cost for the incentive for fiscal years 2012-2013 and 2013-2014 is \$450,638 and the estimated total savings over the same two year period is \$584,512, or a net annual savings of \$133,874 beginning in 2014; and

WHEREAS, the Incentive Program will facilitate reorganization plans through the process of consolidation and elimination of positions and could produce further budget savings over the next 27.5 years in excess of \$12,422,430.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MIDDLETOWN: That the Retirement Incentive Program offered by the City to the Defined Non-bargaining Employees and the members of the Teamsters Local 671 is approved; and

BE IT FURTHER RESOLVED: That the proposed Memorandum of Understanding between the City of Middletown and Teamsters Local 671 concerning a Retirement Incentive be approved; and

BE IT FURTHER RESOLVED: That the proposed Memorandum of Understanding between the City of Middletown and the Teamsters Union be amended as follows: That Option 2 paragraph read that "Qualified employees who accept the early retirement incentive will be credited with not more than two years of additional service"; in paragraph numbered 3, the sentence upon reaching age 62, the premium cost share shall be reduced to the same percentage as paid by active employees' with a maximum cap of 25%, delete 25% and add "as provided under the CBA in effect as of the date this MOU is executed; and paragraph numbered 6, the date by no later than Wednesday, November 7, 2012 should be changed to "Friday, December 21, 2012."

MEMORANDUM OF UNDERSTANDING
RETIREMENT INCENTIVE

The City of Middletown and Teamsters Local #671 hereby agree as follows:

- Employees who will have completed twenty five (25) or more years of service to the City or are in the fiftieth (50) year of age and qualify by December 31, 2012 shall be offered an early retirement incentive by the City upon the following terms and conditions.

Option 1: A cash incentive of Forty Thousand (\$40,000) Dollars payable over two (2) years. The pension payable hereunder will be calculated based upon the 2.5% multiplier. A lump sum of \$20,000 will be given one month after the employee is separated from the City or as soon as the funds become available by an appropriation by the Common Council. The second lump sum payment of \$20,000 will be made within one year after the first payment, but no earlier than July 15th of the following fiscal year.

~ OR ~

- Option 2: Qualified employees who accept the early retirement incentive will be credited with not more than two (2) additional years of service.
- Unless specifically abridged within this document, the pension cap and multiplier will be pursuant to the terms and conditions of the Collective Bargaining Agreement in effect upon execution of this Memorandum of Understanding. (Option A is 2.25% @ 70% and Option B is 2.50% @ 80%)
 - For employees' who selected Option B of the Collective Bargaining Agreement for retirement medical plans, the premium cost share at exit from employment shall be based upon their current age and the conditions set forth in the CBA. ***Upon reaching age 62, the premium cost share shall be reduced to the same percentage as paid by active employees' with a maximum cap as provided under the CBA in effect as of the date this Memorandum of Understanding is executed.***
 - In accordance with Article VIII, Pension Section 7 an employee who has military time or CETA time may buy back the time as defined by the Collective Bargaining Agreement.
 - The maximum annual retirement benefit shall be determined with reference to the limits set out in the applicable sections of the IRS Code and not §74-50 (A)(1) of the Middletown Code of Ordinances. In addition, anyone with 35 years of service (excluding two (2) year credit from Option 2 of this MOU), will have their pension capped at eighty-five percent (85%) based upon the Collective Bargaining Agreement, Article VIII, Section 3 which stipulates benefits for retirees shall be the three (3) consecutive highest years of service.
 - Qualified employees who wish to accept the City's retirement incentive offer must notify the City Personnel Office of their acceptance by no later than Friday, December 21, 2012
 - Qualified employees who accept the retirement incentive offer must leave active service on or before December 31, 2012. Provided, however, the City and the employee by mutual agreement may defer the retirement date for up to a year to meet its operating needs.
 - Qualified employees must utilize all vacation or personal time prior to June 30, 2013 or may elect to receive payment for such time upon retirement. However, any use of time or payment for time which results in the extension of the retirement date beyond June 30, 2013 will not result in the member's eligibility to receive any further personal, vacation, or sick time; holiday or longevity pay; or unused sick pay, which would accrue in the next fiscal year. Payment of pension benefits will begin after all vacation and personal time have been exhausted. This provision shall not apply if the retirement date is extended as set forth above.
 - Qualified employees who accept the offer of this retirement incentive shall be required to sign a Severance Enhancement Agreement with the City setting forth the terms of this Memorandum of Understanding, the financial terms of the employee's retirement, and releasing the City from any and all claims. Once the Severance Enhancement Agreement has been entered into amongst the parties, the retirement shall be irrevocable.
 - Unless otherwise abridged by this Agreement, all other provisions of the current Collective Bargaining Agreement in effect as of June 30, 2012 shall apply.
 - Both parties agree that this Memorandum of Understanding does not set a precedent nor obligate the City to offer a retirement incentive in the future.
 - The retirement incentive is contingent on Common Council approval.

FOR THE UNION

FOR THE CITY

Tony LePore, Its Business Agent

Daniel T. Drew, Its Mayor

Dated:_____

Dated: _____

Dave Lucas, Its Secretary/Treasurer

Dated:_____

Upon execution between the City and the Union, the undersigned employee acknowledges receipt of this agreement and has read the document and understands the terms and conditions as set forth.

Employee

Dated: _____

Motion to Adjourn

Councilman Berch moves to adjourn and his motion is seconded by Councilman Pessina. The vote is unanimous and the Chair declares the meeting adjourned at 8:33 p.m.

ATTEST:

MARIE O. NORWOOD
Common Council Clerk